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SUBJECT: MEDIA REACTION: TAIWAN'S REFERENDUM ON UN BID, NORTH KOREA,
CHINA'S ECONOMY

¶1. Summary: Taiwan's major Chinese-language dailies focused July 18 news coverage on the 2008 presidential election, on the aftermath of a nationwide amnesty implemented Monday, and on a business scandal involving senior financial officials. The pro-unification "United Daily News" front-paged an exclusive news story with the headline "Imported U.S. Pork Contains [Animal] Medicine Banned [in Taiwan]." The centrist, KMT-leaning "China Times," ran an exclusive interview with Vice President Annette Lu on page four, which carried a banner headline that said "Annette Lu: Referendum on [Taiwan's] UN Bid Is to Use Taiwan's Sovereignty as Gambling Stake."

¶2. In terms of editorials and commentaries, an editorial in the pro-independence "Liberty Times" commented on former AIT chairperson Therese Shaheen's recent remarks and the island's UN bid. The article called on the Taiwan people to send out clear signals to the world about Taiwan's interest in participating in the international community as an independent sovereign state. A "China Times" column discussed the Bush administration's policies toward North Korea and Iran. The article said Washington will level immense pressure on Iran while making concessions wherever it can toward North Korea. An editorial in the pro-independence, English-language "Taipei Times" cautioned the world to pay attention to China's unfair trade practices. End summary.

¶3. Taiwan's Referendum on UN Bid

"Taiwan's Mainstream Public Opinion Is Already Apparent; [the Island] Must No Longer Send out Ambiguous Signals"

The pro-independence "Liberty Times" [circulation: 500,000] editorialized (7/18):

"Former AIT Chairwoman Therese Shaheen recently pointed out that the United States is a democratic country, which will not overlook other countries' wish to 'cry out loud for freedom.' She suggested that the Taiwan people vote in favor of a candidate that [seeks to] maintain Taiwan's interests instead of one that maintains the interests of the United States or China. ...

"The U.S. State Department has expressed opposition to the referendum on 'Taiwan's bid to join the United Nations under the name Taiwan.' But Shaheen said the United States would not have concerned itself with such a move had China not complained to Washington about it. ... The United States and Taiwan are both democratic countries. Would the United States suppress democratic Taiwan just to cater to totalitarian China if the democratic choice made by the Taiwan people triggers savage intimidation from China?

"Taiwan's referendum on the island's UN bid carries uncommon significance both for the island and for the outside world. For the island itself, the referendum is a move to use direct democracy to strike back at the surviving forces of an alien regime, in an

attempt to prevent the forces from taking advantage of democracy, thus ruining it, and associating Taiwan with China. Externally, it is a move to oppose annexation by China's hegemony and to state clearly to the international community that it wishes to stop the illusion of ultimate unification [between Taiwan and China]. Just as Shaheen has done, the Taiwan people must send out clear signals. Only by doing so will the international community adjust its unrealistic policy toward Taiwan, and transform their ambiguous [policy] of 'maintaining the status quo in the Taiwan Strait' into one clear [policy] of 'maintaining Taiwan's status as an independent sovereign state.'"

14. North Korea

"[Christopher] Hill's Prophecy Has Good Grounds"

The "International Outlook" column in the centrist, KMT-leaning "China Times" [circulation: 400,000] stated (7/18):

"... the U.S. representative [at the Six-Party Talks], Christopher Hill, is not a prophet, but what he prophesies usually comes true, because what he revealed was the Bush administration's current policy. ... Bush's policy is very clear -- namely, [Washington] will level tremendous pressure and relentless saber-rattling on Iran, but for Pyongyang, it will make concessions wherever it can. During the remainder of Bush's term of office, he will make conciliatory arrangements in terms of the [nuclear program] on the Korean Peninsula, but in the Persian Gulf, he will not hesitate to use force against Iran. Such a strategy is in reality an approach that only picks on the weak. Pyongyang has the support of China, Russia and Seoul at its back. The United States is unable to destroy it diplomatically, and it is afraid that Pyongyang will grow desperate and resort to nuclear weapons should the United States use force against it. [Should this happen], the U.S. soldiers deployed in South Korea and Japan will all encounter disaster. But Iran is a different issue. It is almost entirely isolated. Washington can CHINA'S ECONOMY

befriend the European Union and ask it to jointly impose diplomatic pressure on Iran and in the meantime, the United States can use sea and air forces to attack Iran. [Should this happen,] the war will not expand, but it will cause oil prices to rise for a short period of time."

15. China's Economy

"Time for China to Take the Long View"

The pro-independence, English-language "Taipei Times" [circulation: 30,000] editorialized (7/18):

"China's economy will replace Germany as the world's third-largest by the end of this year. But behind such sparkling figures, economic friction and displeasure are brewing. As China becomes the world's factory and builds huge trade surpluses, there are growing complaints in the US, the EU and Asia about its unfair trade practices. There are also growing concerns over the poor quality and health standards of Chinese goods and other products. ... US President George W. Bush's administration has repeatedly criticized the Chinese government for keeping the yuan's exchange rate artificially low and for not doing enough to enforce intellectual property laws and punish factories that make fake products. The US' complaints reflect the feelings of many countries that are fed up with the deluge of Chinese products and having Beijing turn a deaf ear to their complaints. ...

"China's double-digit trade growth naturally provokes envy, but as its exports become increasingly integrated in the world economy and as Beijing's foreign reserves grow, domestic and international pressure will do so, too. The Chinese government may help short-term development by ignoring or disrespecting the rules of international trade, but this strategy will only plant the seeds for international animosity. That's bad for long-term economic development and China's international image. Once a commercial reputation is damaged, restoring it is a long and difficult process. Taiwanese businesses manufacturing goods in China should take precautions, lest they be tarred by the same brush."

